

# Taxes Procedure

## Section 1 - Purpose and Scope

(1) Effective tax governance at The University of Queensland (UQ) requires all staff and students to understand and comply with relevant tax reporting, lodgement and payment obligations in relation to:

- a. Goods & Services Tax (GST)
- b. Fringe Benefits Tax (FBT)
- c. Australian Income Tax
- d. Australian State-based Taxes
- e. International Tax.

(2) This Procedure applies to all UQ staff, students, affiliates and volunteers with respect to UQ's tax obligations. All references to staff in this Procedure include UQ staff, affiliates and volunteers (as defined in Section 7 - Definitions).

(3) Staff and students are expected to understand their tax obligations and behave ethically and responsibly to support effective tax governance at UQ.

(4) This Procedure does not apply to personal tax obligations of UQ staff and students and UQ will not provide personal tax advice to its staff and students. Individuals should seek advice from their personal tax adviser on the potential tax implications of dealings with UQ.

## Section 2 - Process and Key Controls

(5) The Taxation Unit within the Finance and Business Services Division centrally manages UQ's tax obligations and tax reporting requirements, including setting appropriate timeframes for tax lodgements and payments with the [Australian Taxation Office](#) and state based revenue offices.

(6) Material transactions at UQ must be documented in UQ financial records management systems and be reviewed and approved by the relevant delegate in accordance with UQ's [Delegations Policy](#).

(7) The Taxation Unit establishes and advises staff and students in relation to:

- a. financial systems and controls to ensure compliance with tax obligations and accurate and effective tax reporting; and
- b. good record keeping practices to maintain documentation that is easily accessible to support compliance with tax obligations and identify, assess and mitigate commercial and tax risks.

(8) The impact of commercial and tax risks to UQ must be managed and limited in accordance with the [Enterprise Risk Management Framework](#).

# Section 3 - Key Requirements

## Part A - Goods and Services Tax (GST)

(9) In relation to GST, UQ is required to:

- a. include GST in the price of sales of taxable supplies to customers;
- b. claim GST or input tax credits (when it is applicable) for the GST included in the price of purchased goods and services;
- c. issue a valid tax invoice for any sales of taxable supplies; and
- d. obtain a valid tax invoice on any acquisition made that is more than \$82.50 (including GST if applicable).

(10) The [UQ GST Guide](#) and [GST web page](#) provide detailed information, instructions and examples for processing and managing UQ's GST transactions, including guidance on calculating and claiming UQ's GST.

## Part B - Fringe Benefits Tax (FBT)

(11) All transactions that UQ enters into that provide some form of benefit to a staff member or a member of Senate, or their associates (e.g. spouse, partner or relative), must be assessed for FBT application. FBT adds to the cost of providing a benefit and the person responsible for approving the provision of a fringe benefit must consider the appropriateness and cost of providing the benefit before expenditure is incurred. The Taxation Unit can assist staff in this process ([fbs-tax@uq.edu.au](mailto:fbs-tax@uq.edu.au)).

(12) In relation to FBT, UQ is required to:

- a. record the value of fringe benefits provided to all staff and members of Senate within the FBT year (April to March);
- b. obtain a declaration, travel diary or other relevant supporting documentation to reduce the taxable value of fringe benefits and to substantiate the amount of FBT payable shown on the FBT return;
- c. report and pay the FBT liability to the [Australian Taxation Office](#) as part of the lodgement of the annual FBT return; and
- d. report gross fringe benefits on an employee's annual payment summary when the sum of the taxable fringe benefits provided exceeds \$2,000 during the FBT year.

(13) The [Fringe Benefits Tax \(FBT\) Guide](#) and [FBT web page](#) provide guidelines and examples in relation to the correct application of and compliance with FBT legislation.

## Part C - Australian Income Tax

(14) UQ is a charitable institution registered with the Australian Charities and Not-for-profits Commission and is exempt, under the [Income Tax Assessment Act 1997](#), from paying Australian income tax on revenue it earns in Australia.

(15) UQ's controlled entities are responsible for assessing and determining their tax status.

## Part D - Australian State-based Taxes

### Payroll Tax

(16) Payroll tax ('PRT') is a self-assessed state tax on the wages that UQ pays to its staff when the total wages are

more than a certain threshold.

(17) In relation to PRT, UQ is required to:

- a. calculate and pay the payroll tax liability in each state that UQ has staff based;
- b. determine any grouping requirements with UQ and its controlled entities and liaise with the controlled entities on the impact of grouping to their reporting and payment obligations; and
- c. lodge periodic PRT returns and an annual return each year.

## Land Tax

(18) Land tax is a state tax, calculated on freehold land UQ owns. UQ is required to pay the annual assessment as issued by the relevant state government.

## Transfer Duties

(19) Transfer duty (also known as stamp duty) is a state tax payable by UQ on 'dutiable transactions' such as:

- a. A transfer of dutiable property
- b. An agreement for the transfer of dutiable property
- c. A partnership acquisition
- d. The creation or termination of a trust of dutiable property
- e. A trust acquisition or surrender

(20) As a registered charitable institution, UQ may be eligible to claim an exemption from transfer duty when it acquires property that is otherwise subject to transfer duty.

## Acquisition or Disposal of Land

(21) Staff must advise the Taxation Unit of any potential transfer duty or land tax obligations arising from dealings prior to the acquisition or disposal of land. If staff are unsure of the potential tax implications, they must seek advice from the Taxation Unit prior to acquisition or disposal. The Taxation Unit may seek external advice on these implications and any costs will be met by the Organisational Unit.

## Part E - International Tax

(22) UQ must comply with all relevant taxation laws, regulations, rulings, policies, procedures and reporting obligations in the countries that it operates.

(23) Organisational Units must consider the potential local tax implications of dealing with entities in a foreign country, operating or performing services in a foreign country or engaging with an individual who will be based in a foreign country. Organisational Units must liaise with the Taxation Unit ([fbs-tax@uq.edu.au](mailto:fbs-tax@uq.edu.au)) if requiring further advice on dealings of this nature prior to proceeding.

(24) UQ has compliance obligations when entering into international arrangements with non-Australian resident organisations or individuals with respect to:

- a. Australia's tax laws
- b. the tax laws of the relevant foreign country
- c. any [tax treaty](#) between Australia and the relevant foreign country.

(25) If UQ has a permanent establishment in a foreign country (through continuous and regular activity in that

country), UQ may be required to meet tax obligations of the local jurisdiction, including withholding tax on income and lodging an annual tax return. Organisational Units must liaise with the Taxation Unit ([fbs-tax@uq.edu.au](mailto:fbs-tax@uq.edu.au)) for advice on dealings of this nature.

### **International Entities, Individuals or Work in Foreign Jurisdictions**

(26) When initiating or approving dealings with international entities, individuals or work in foreign jurisdictions, Organisational Units must maintain appropriate records and ensure that all international tax reporting, lodgement or other regulatory requirements are satisfied.

## **Section 4 - Roles, Responsibilities and Accountabilities**

### **Taxation Unit**

(27) The Taxation Unit is responsible for:

- a. administering the preparation, lodgement, record keeping and payment of UQ's monthly Business Activity Statement (BAS), which includes the reporting of GST, deferred GST, and quarterly FBT instalments;
- b. managing, overseeing and communicating information related to UQ's FBT compliance and application (excluding motor vehicle-related fringe benefits);
- c. managing UQ's FBT compliance risk;
- d. providing Human Resources Division with reportable fringe benefits information for each employee;
- e. processing and paying quarterly FBT instalments, and collating information, calculating, preparing and lodging UQ's annual FBT return;
- f. ensuring UQ's compliance with applicable income tax legislative requirements and maintaining UQ's tax exempt status;
- g. advising and providing assistance to Organisational Units in their management of commercial and tax risks to UQ;
- h. providing assistance to Organisational Units, as required, with assessments of contractors or consultants under common law, as well as associated employment tax obligations for contractors such as payroll tax and superannuation; and
- i. providing assistance to staff or controlled entities on international tax matters when the question is within the scope and capacity of the Taxation Unit (advice from an external taxation consultant may be sought by the Taxation Unit where appropriate).

(28) The Taxation Unit is not responsible for providing advice on personal income tax matters.

### **Human Resources Division**

(29) The Human Resources Division (HR) is responsible for:

- a. calculating and collating information for existing motor vehicle-related fringe benefits and reporting results to the Taxation Unit for inclusion in UQ's annual FBT return;
- b. managing the FBT related to salary/salary sacrifice arrangements;
- c. communicating relevant FBT requirements, changes and implications to the HR community;
- d. collating information, calculating and recording reportable fringe benefits for each employee on the employee's payment summary;
- e. processing and paying PRT instalments;

- f. collating information, calculating, preparing and lodging UQ's annual PRT return; and
- g. considering the implications of international tax that may apply when employing or hiring a non-Australian resident individual.

## **Treasury Unit**

(30) The Treasury Unit is responsible for:

- a. processing and payment of UQ's annual land tax assessment; and
- b. processing and lodgement of exemptions from land tax on purchases as applicable.

## **UQ Staff**

(31) UQ staff are responsible for:

- a. recording transactions in UniFi and EMS ProMaster and applying the correct GST treatment, recording the correct GST amount in the accounting system and keeping appropriate supporting documentation for all supplies and acquisitions made by UQ;
- b. complying with the FBT requirements as set out in this Procedure, the [Fringe Benefits Tax \(FBT\) Guide](#), and any other advice or directive issued by the Taxation Unit;
- c. providing any relevant tax-related supporting documentation to the Taxation Unit or other areas of the Finance and Business Services Division as required; and
- d. seeking advice from the Taxation Unit on managing UQ's tax risk and compliance obligations in Organisational Units.

(32) UQ staff that initiate or approve the provision of fringe benefits are responsible for:

- a. analysing and understanding the FBT implications and assessing the total cost of the benefits before they are provided;
- b. ensuring the expenditure complies with this Procedure and FBT legislation; and
- c. advising the employee of the personal implications of reportable fringe benefits if the provision of a fringe benefit will be reportable to an employee.

(33) UQ staff that record or approve transactions in UniFi or EMS ProMaster, or manage or budget expenditure, are responsible for:

- a. understanding the FBT implications of transactions;
- b. assessing the total cost of the benefits provided and applying the correct FBT treatment; and
- c. allocating the expense to the correct FBT account and obtaining and filing the appropriate supporting documentation for FBT purposes.

## **UQ Controlled Entities**

(34) The boards of UQ's controlled entities are responsible for determining their entity's tax status and for ensuring its compliance with the relevant taxation legislative requirements.

(35) Where a UQ controlled entity or one of its subsidiaries is an income tax paying entity, the controlled entity is responsible for applying the relevant taxation measurement and recognition criteria according to Australian Accounting Standards to be included in UQ's Annual Report.

# Section 5 - Monitoring, Review and Assurance

## Taxation Unit

(36) The Taxation Unit will assess compliance with this Procedure and relevant tax law requirements via a range of mechanisms including:

- a. monitoring GST amounts reportable in the monthly BAS and randomly auditing transactions;
- b. monitoring the FBT amounts reportable and randomly auditing transactions; and
- c. ad-hoc reviews of overseas dealings and requesting confirmation of compliance with international requirements from relevant Organisational Units.

(37) The Taxation Unit will monitor the ongoing currency and relevance of this Procedure to ensure that it adequately addresses the management of tax compliance at UQ.

## Compliance Officers and Financial Delegates

(38) Compliance officers and financial delegates must review UniFi and EMS ProMaster data to ensure the coding of GST, FBT or non-FBT is correct before approving.

# Section 6 - Recording and Reporting

(39) The Taxation Unit will manage reporting requirements for the following:

- a. monthly reports and variance analysis as part of BAS and FBT preparation and lodgement; and
- b. reportable fringe benefit amounts on employee payment summaries.

(40) Transactions, activities and results related to this Procedure are recorded in UQ's EMS ProMaster and UniFi financial management systems.

(41) The Taxation Unit will ensure that UQ complies with the relevant reporting standards when reporting the consolidated Australian income tax amount.

# Section 7 - Appendix

## Guidance and Resources

(42) [UQ GST Guide](#) and [webpage](#)

(43) [UQ FBT guide](#) and [webpage](#)

## Relevant Legislation

(44) [Income Tax Assessment Act 1997](#) (Cth)

(45) [A New Tax System \(Goods and Services Tax\) Act 1999](#) (Cth)

(46) [Fringe Benefits Tax Act 1986](#) (Cth)

## Definitions

Term	Definition
Affiliates	Academic title-holders, visiting academics, emeritus professors, adjunct and honorary title-holders, industry fellows, and conjoint appointments.
Staff	Continuing, fixed-term, research (contingent funded) and casual staff members.
Volunteers	Members of the community who donate their services in a voluntary capacity to UQ without expectation of remuneration. Volunteers include those undertaking work on fundraising and community-oriented projects, tertiary students wishing to gain exposure to particular UQ functions, among others.

## Status and Details

<b>Status</b>	Current
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